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FEDERAL MARITIME COM

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September 30, 2004

Bryant L. VanBrakle
Secretary
Federal Maritime Commission
800 North Capitol Street, N.W.
Washington, D.C. 20573-0001

Re: Petition Nos. P3-03; P5-03; P7-03; P8-03; P9-03; P1-04; P2-04; P4-04

Dear Secretary VanBrakle:

This law firm represents Alliance Shippers, Inc., dba Alliance International. Pursuant to the Commission's Order served September 2, 2004, enclosed please find for filing in the above-referenced proceedings an original and fifteen copies of Alliance International's Comments in Support of the Joint Supplemental Comments and Proposed Conditional Exemption from Tariff Publication and Enforcement.

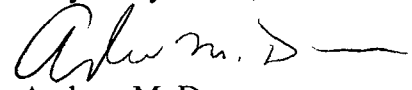
Also enclosed is an additional copy of Alliance International's comments, which we request that you stamp for our files and return to us via the messenger.

By separate e-mail this date we are forwarding to you an electronic version of Alliance International's comments in Word format.

It is our understanding that the Commission's Order of September 2, 2004 has waived the requirement of serving comments on each of the Petitioners.

Please contact the undersigned at 202.296.2900, ext. 219, should you have any questions regarding the enclosed comments.

Very Truly Yours,


Andrew M. Danas

Enclosures

Alliance Shippers, Inc.
Dba Alliance International

MEMBER, EURO-AMERICAN LAWYERS GROUP

ASSOCIATED OFFICES:

ATHENS, BARCELONA, BRUSSELS, BUDAPEST, CHICAGO, COPENHAGEN, DUBLIN, EDINBURGH, FRANKFURT, GENEVA,
GLASGOW, HELSINKI, HONG KONG, KIEL, KIEV, LIMASSOL, LISBON, LJUBJANA, LOCARNO, LOS ANGELES,
LUXEMBOURG, MADRID, MANCHESTER, MILAN, MOSCOW, NEW YORK, OSLO, PARIS, PRAGUE, SANTA ROSA,
STOCKHOLM, TALLINN, TARTU, TILBURG

ORIGINAL

BEFORE THE
FEDERAL MARITIME COMMISSION
WASHINGTON, D.C.

~~CC-OS/OGC~~
Public
Chairman
Commissioner(4)
OP BTA
BCL OA

PETITION OF UNITED PARCEL
SERVICE, INC. FOR EXEMPTION;

PETITION OF THE NATIONAL CUSTOMS
BROKERS AND FORWARDERS
ASSOCIATION OF AMERICA, INC. FOR
LIMITED EXEMPTION;

PETITION OF OCEAN WORLD LINES,
INC., FOR RULEMAKING;

PETITION OF BAX GLOBAL, INC. FOR
RULEMAKING;

PETITION OF C.H. ROBINSON
WORLDWIDE, INC. FOR EXEMPTION;

PETITION OF DANZAS CORPORATION
D/B/A DANMAR LINES LTD., DANZAS

AEI OCEAN SERVICES, AND DHL
DANZAS AIR AND OCEAN FOR
EXEMPTION;

PETITION OF BDP INTERNATIONAL,
INC. FOR EXEMPTION;

PETITION OF FEDEX TRADE
NETWORKS TRANSPORT &
BROKERAGE, INC. FOR EXEMPTION.

PETITION Nos. P3-03,
P5-03, P7-03, P8-03,
P9-03, P1-04, P2-04,
P4-04

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FEDERAL MARITIME COMMISSION

COMMENTS OF
ALLIANCE SHIPPERS, INC., DBA ALLIANCE INTERNATIONAL
IN SUPPORT OF THE JOINT SUPPLEMENTAL COMMENTS AND PROPOSED
CONDITIONAL EXEMPTION FROM TARIFF PUBLICATION AND ENFORCEMENT

Comes Now Alliance Shippers, Inc., DBA Alliance International, by and through
its undersigned counsel, and herein files its Comments in Support of the Joint

Supplemental Comments and Proposed Conditional Exemption From Tariff Publication and Enforcement filed by the Petitioners in the above-referenced exemption proceedings.

Alliance Shippers, Inc., (hereinafter Alliance International), supports the right for non-vessel operating common carriers (nvoccs) to offer service contracts to their customers, provided that this right is afforded to all nvoccs and the permitted contracts are treated as being *de facto* service contracts within the Commission's jurisdiction. Alliance International thus urges the Commission to quickly grant the petitioner's request.

In furtherance of its comments, Alliance International states as follows:

NATURE OF ALLIANCE INTERNATIONAL'S BUSINESS

Alliance International is the international division of Alliance Shippers, Inc., one of the largest third party domestic intermodal marketing companies in the United States. Alliance Shippers was founded in 1977. In the domestic market, it handles several hundred thousand container shipments per year. It provides transportation solutions to its customers. This includes Fortune 100 corporations as well as privately held companies. Alliance Shippers has written contracts with a number of major motor and railroad carriers in the United States.

Headquartered at 100 Oceangate Plaza, P-200, Long Beach, California, Alliance International is a licensed ocean transportation intermediary. Founded in 1988, it operates both as an ocean freight forwarder and non-vessel operating common carrier (nvocc) pursuant to FMC License Number 003347N. Alliance International operates with agents in every major U.S. trade lane, providing nvocc and ocean freight forwarding services to the same range of corporations as its domestic parent. It handles an average

number of 37,000 FEUs in any given year. It currently has eight (8) service contracts with major ocean carriers.

In addition to providing international nvocc and ocean freight forwarding services, Alliance International works in conjunction with Alliance Customs Clearance, Inc., a separately incorporated company that is a licensed U.S. Customs Broker, also based in Long Beach, California.

ALLIANCE INTERNATIONAL SUPPORTS THE PROPOSED EXEMPTION

Alliance International supports the updated, unified form of relief set forth in the Joint Supplemental Comments Requesting Expedited Adoption of a Conditional Exemption from Tariff Publication. Alliance International believes that the Commission should adopt this proposed form of relief for all nvoccs, including Alliance International. It believes that the Commission should do so on an expedited basis.

The Proposed Conditional Exemption From Tariff Publication and Enforcement would provide as follows:

- 1. The FMC shall exercise its authority under Section 16 of the Shipping Act of 1984, as amended ("Shipping Act"), to grant to NVOCCs an exemption from (i) the tariff publication requirements set forth in Section 8(a), (b), (d) and (e) of the Shipping Act; (ii) the regulations of the FMC relating to tariff publication set forth at 46 C.F.R. Part 520; and (iii) the Prohibited Acts provisions set forth in Section IO(b)(1), (2), (4) and (8) of the Shipping Act only to the extent that those provisions relate to tariff requirements.*
- 2. The exemption shall be available with respect to cargo moving under any written agreement between a NVOCC and one or more shippers, other than a bill of lading, receipt or similar transport document, under which the shipper(s) make a commitment to provide a certain volume or portion of cargo over a fixed time period, and the NVOCC commits to a certain rate and defined service level.*

3. The exemption shall be subject to the conditions that (i) the agreement must be filed confidentially with FMC; (ii) the agreement shall include the following essential terms: (A) origin and destination port ranges, (B) origin and destination geographic areas in the case of through intermodal movements, (C) the commodity or commodities involved, (D) the minimum volume or portion, (E) the line-haul rate, (F) the duration, (G) service commitments; and (II) the liquidated damages for nonperformance, if any; (iii) the NVOCC shall publish in a tariff the origin and destination port ranges, commodity or commodities involved, minimum volume or portion, and duration included in the agreement; and (iv) the FMC will retain jurisdiction over such agreements to the same extent that it maintains jurisdiction over service contracts regulated under the Shipping Act.

For all practical purposes, this proposed exemption would allow nvoccs to enter into written service contracts with their customers under similar regulatory terms and conditions that govern ocean common carrier service contracts. Alliance International and its customers would immediately take advantage of this proposed exemption should the Commission choose to grant it.

The contracting rights being proposed for nvoccs in this proposed exemption are more restrictive than those which Alliance Shippers currently enjoys in the domestic transportation market. Today, Alliance Shippers is free to negotiate and enter into contracts with its customers for domestic transportation services without the federal government significantly dictating the nature and/or terms and conditions of the contracts. Instead, Alliance can work with its customers to tailor innovative contractual logistics solutions specific to the particular needs of the customer.

While Alliance International successfully works with its customers to provide innovative logistics services for international shipments, it is handicapped in its efforts by the inability to offer confidential contracts similar to those it enters into in the domestic

market, or even international service contracts similar to those offered by ocean common carriers. When working with customers in the international trades, Alliance International is constrained by the need to publish its tariff rates. While time volume rates and contracts provide a mechanism whereby nvoccs can offer a guaranteed rate for a guaranteed volume, they are not fully flexible mechanisms whereby nvoccs can truly tailor a logistics service to the needs of a particular customer. They are also not very attractive to shippers because they are a form of tariff which is published and made available to other shippers.

Indeed, absent the right to enter into tariff exempt contracts such as those proposed by the current Petitions, it is extremely difficult for Alliance Shippers to truly fashion a comprehensive total logistics service contract for its customers who ship both domestically and internationally. In today's marketplace, where the sourcing of products and components may occur both in the United States and abroad, and manufacturers and retailers rely on just-in-time shipping and inventory control, it is crucial that shippers have access to sophisticated transportation solutions offered by integrated, multimodal third party logistics companies such as Alliance. Companies such as Alliance are allowed to do this elsewhere in the world. The market now requires it in the United States.

In this context, Alliance would note that in its opinion total exemption of nvoccs from their tariff publishing obligations under the Shipping Act would be the best method to enable the development of innovative third-party logistics services in the international trades. This approach would be similar to how companies such as Alliance developed

such services domestically upon deregulation of the intermodal transportation industry. However, because Congress has chosen to regulate ocean common carrier service contracts, Alliance International supports the currently proposed exemption, requiring nvoccs to offer written contracts under similar terms and conditions as are required for service contracts offered by ocean common carriers.

Alliance International would encourage the FMC - and Congress - to revisit the question of regulation of ocean transportation intermediaries rates in the future. At this time, however, Alliance International urges the Commission to adopt the proposed exemption, so as to allow Alliance and other nvoccs the right to enter into and offer confidential contracts with their customers. Granting the exemption would enhance competition and efficiency in the international transportation market. It would also assist the Commission in its primary function of engaging in oversight of the antitrust exemption enjoyed by ocean common carriers, because it would encourage more competition in the marketplace, both between nvoccs and between nvoccs and ocean common carriers. Granting the exemption would also enhance further integration of the domestic and international transportation markets in the United States and, most likely, help to make the U.S. economy more efficient.

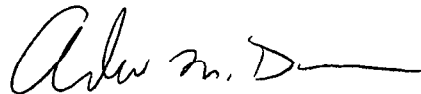
Finally, Alliance International urges the Commission to grant the petitions at the earliest possible dates. It has been over one year since the first request was filed seeking to exempt nvoccs from their tariff publishing obligations and instead allowing the use of written contracts. In filing their unified Proposed Conditional Exemption, the Petitioners have honed down their differing approaches to this issue and have now proposed a

common standard which should be adopted to allow all nvoccs, including Alliance International, the opportunity to offer written contracts to their customers, exempt from the tariff publishing obligations of the Shipping Act.

CONCLUSION

In conclusion, Alliance International respectfully requests that the Federal Maritime Commission adopt the proposal of the Petitioners in this Proceeding.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Andrew M. Danas", with a horizontal line underneath.

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Counsel for Alliance Shippers, Inc.,
dba Alliance International

Dated: September 29, 2004